

MAITLAND LGA

Property Watch®

PRD nationwide



A house in Walter Parade, Black Hill

MARKET INDICATORS

Change from Last	Year	Half Year
HOUSE SALES	↓	↓
HOUSE MEDIAN	↑	↑
HOUSE RENTS	↑	↔
UNIT SALES	↔	↔
UNIT MEDIAN	↑	↑
UNIT RENTS	↑	↔

The indicators depicted above are based on the year ending March 2013.

KEY HIGHLIGHTS

- The impact of softer resource prices has so far mainly affected the rental market, as the median house price continued to grow in the 12 months to March 2013.
- The median house price recorded solid gains since March 2009, with a short period of consolidation in September 2011.
- Most suburbs recorded median selling period between 60 and 90 days.

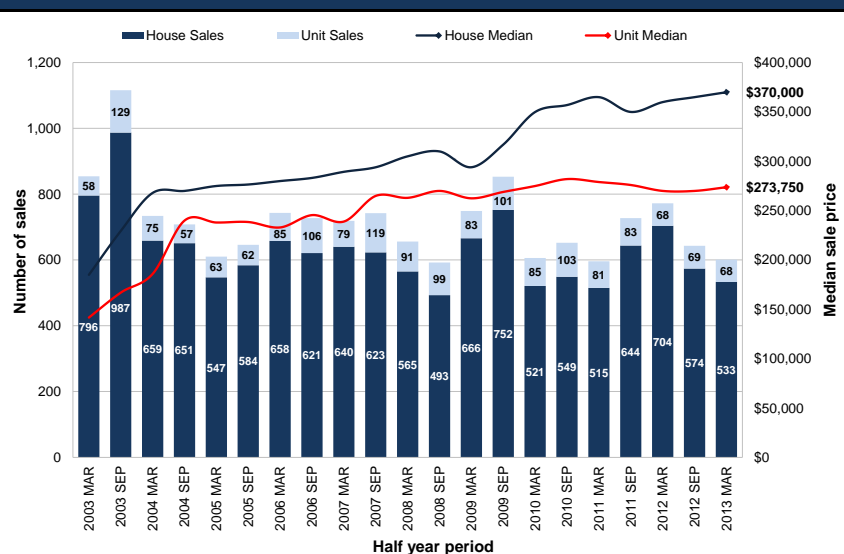
This report is the result of an investigation into the house and unit markets of the Maitland Local Government Area (LGA). Located in the Hunter Valley, the LGA's property market has historically been buoyed by a strong coal industry, generating employment and demand for new and existing houses. However, a recent decline in coal prices has slowed mining activity and increased market uncertainty. Property investors who bought in anticipation for a steady supply of mining-related tenancies have experienced extended vacancy periods and little growth in rent prices in the past six to nine months.

The impact of softer resource prices has so far mainly affected the rental market, as the median house price continued to grow in the 12 months to March 2013. The decline in house activity in the year to March was mostly due to strong performance in the corresponding 2012 period. The 533 transactions recorded in the six months to March represented a 24 per cent decline from the March 2012 half year but only 10 per cent softening from the five year average. Over the same period strata-titled dwellings' activity remained unchanged.

House enquiries came from upgraders and retirees, with some seeking lifestyle lots in the top end of the market. Anecdotal evidence pointed to buyers preferring homes in established suburbs over new land estates. This was seen by the falling stock on the market in existing areas and soft sales activity in many new subdivisions.

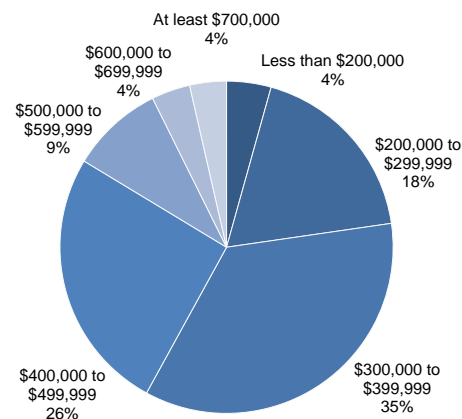
The median house price increased by 2.8 per cent in the 12 months to March 2013, closing the period at \$370,000. The price recorded solid gains since March 2009, with a short period of consolidation in September 2011. A capital growth analysis conducted by PRDnationwide Research measured the annual gains achieved by vendors who sold in the six months to March 2013. The investigation revealed a moderately lower average capital growth of 4.6 per cent per annum compared to 5.0 per cent per annum in March 2012.

MAITLAND LGA HOUSE AND UNIT SALES CYCLE



Graph prepared by PRDnationwide Research. Source: PDS

HOUSE PRICE POINTS SIX MONTHS TO MARCH 2013



Graph prepared by PRDNationwide Research. Source: PDS

The long term increase in rent prices equated **6.1 per cent** per annum in March, acting as a reminder to the **strong growth** the area has experienced in the **past five years**

MEDIAN RENT PRICE 3 BEDROOM HOUSE

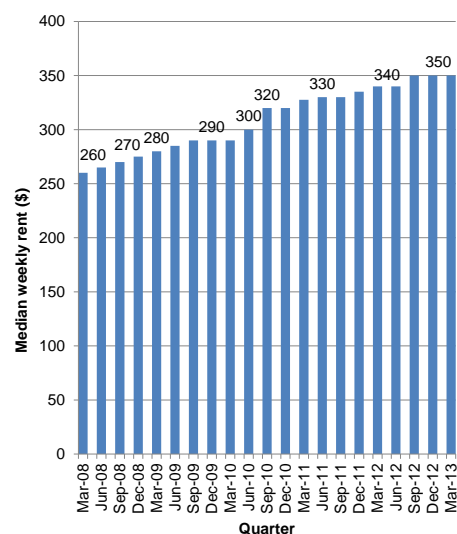


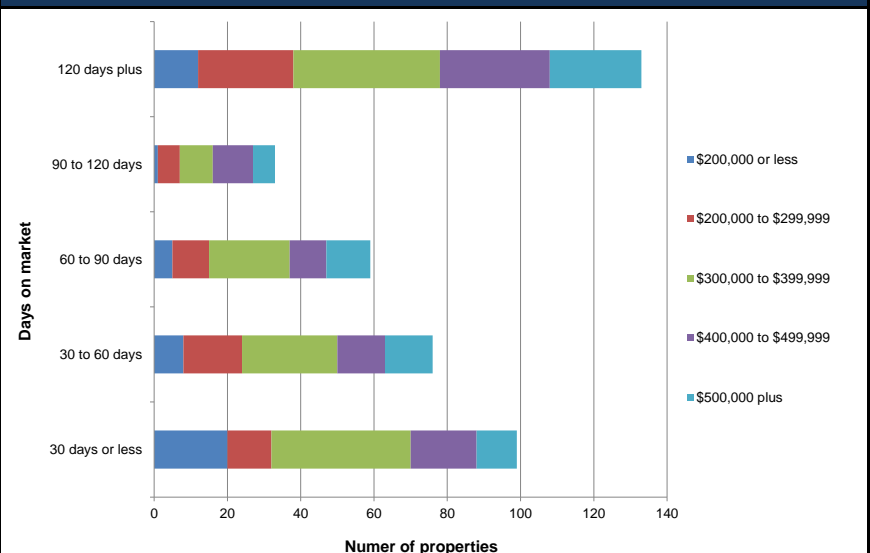
Table prepared by PRDNationwide Research. Source: PDS

When observing the House Price Points chart, a large share of transactions in the \$300,000 to \$399,999 price point was noted. The entry-level price range in the region remained between \$200,000 and \$299,999 and accounted for 18 per cent of the overall sales. In the most active suburbs of East Maitland and Rutherford affordable stock accounted for 17 and 31 per cent of transactions respectively.

The number of days on the market measured how long it took to sell residential product in the Maitland region. In the three months to May 2013 over 400 properties were advertised for sale (several of which were sold over the period). A days-on-market analysis revealed that 25 per cent of the stock was advertised for a period of 30 days or less, while one third (33 per cent) was listed for 120 days or more. The Days on Market graph below illustrates the number of properties advertised in each price point. The graph confirmed that most properties advertised were in the \$300,000 to \$399,999 price point and suggested that properties toward the bottom end experienced short selling periods. Residences in this price bracket accounted for only nine per cent of the properties represented in the '120 days plus' bar.

Most suburbs recorded median days-on-the-market between 60 and 90 days. Morpeth, Gillieston Heights and Telarah recorded a longer median selling period while Metford's median was below 30 days.

MAITLAND LGA DAYS ON MARKET



Graph prepared by PRDNationwide Research. Source: RP Data

The investment market

Recent figures confirmed market stability, with the median weekly rent for a three-bedroom house increasing by 2.8 per cent in the 12 months to March 2013. That said, the figure remained steady at \$350 per week in the past three quarters, signalling equilibrium between supply and demand. The long term increase in rent prices equated 6.1 per cent per annum in March and acted as a reminder to the strong growth the area has experienced in the past five years.

Attached dwellings performed well, recording an 8.7 per cent increase in the 12 months to March, equating to a five-year average growth of 8.6 per cent per annum. Similarly, the unit rental market returned a median weekly rent of \$280 since September 2012, with vacancies increasing as several of the crews working on the Hunter Expressway left the region. After bottoming at two per cent in August 2012, vacancy levels increased to 2.4 per cent in April 2012, with 77 vacant properties reported for the 2323 postcode. A number of properties purchased by investors in new land estates were experiencing long leasing periods, with a fierce competition which is expected to soften rent prices in the short term.

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This report was prepared by PRDNationwide Research. Source: PDS, ABS, Housing NSW, SQM, RP Data.

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